

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Maynard Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: September 13, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.00% to 6.75% and a revision to the mortality table.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Alternative 1
6.75% Investment Return
6.0% total increasing through FY34

Maynard Retirement System
January 1, 2019 Actuarial Valuation

Total appropriation increases 6.0% through FY34 with final amortization payment in FY35

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Total Cost	Unfunded Act. Liab.	% Increase Total Cost
2020	1,325,294	75,000	1,067,506	2,467,800	17,971,199	
2021	1,384,933	75,000	1,155,967	2,615,900	18,044,693	6.0%
2022	1,447,255	75,000	1,250,645	2,772,900	18,028,714	6.0%
2023	1,512,381	75,000	1,351,919	2,939,300	17,910,588	6.0%
2024	1,580,438	75,000	1,460,262	3,115,700	17,676,380	6.0%
2025	1,651,558	75,000	1,576,042	3,302,600	17,310,706	6.0%
2026	1,725,878	75,000	1,699,922	3,500,800	16,796,754	6.0%
2027	1,803,543	75,000	1,832,257	3,710,800	16,115,868	6.0%
2028	1,884,702	75,000	1,973,698	3,933,400	15,247,754	6.0%
2029	1,969,514	75,000	2,124,886	4,169,400	14,170,055	6.0%
2030	2,058,142	75,000	2,286,458	4,419,600	12,858,217	6.0%
2031	2,150,758	75,000	2,459,042	4,684,800	11,285,352	6.0%
2032	2,247,542	75,000	2,643,358	4,965,900	9,422,086	6.0%
2033	2,348,682	75,000	2,840,218	5,263,900	7,236,293	6.0%
2034	2,454,372	75,000	3,050,328	5,579,700	4,692,809	6.0%
2035	2,564,819	75,000	1,753,349	4,393,168	1,753,349	-21.3%
2036	2,680,236	75,000		2,755,236	0	-37.3%

Appropriation payments assumed to be made July 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$385,000

FY20 amount maintained at level of current funding schedule